

## MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent we proceed to a period of morning business, with Senators allowed to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## CORINTHIAN COLLEGES

Mr. DURBIN. Last December I spoke about a news article that revealed another disturbing scam perpetuated by the for-profit college industry. The article reported that Corinthian Colleges, Incorporated, a publicly-traded corporation, that owns for-profit schools in the United States and Canada, has engaged in deceptive job placement practices in order to artificially boost job placement rates and avoid scrutiny by its creditors.

It turns out Corinthian schools were paying employers what they called an onboarding fee of \$2,000 per student so the companies would hire their graduates temporarily so that could be counted as an official permanent job placement.

Corinthian college subsidiary schools have been criticized in the past for having high dropout rates, high tuition, and some of the highest loan default rates in the Nation. Nearly 40 percent of Corinthian college students who should have begun to pay their Federal student loans in 2008 were defaulting on their student loans. This is the highest rate of any publicly-traded company in that sector. Yet, over the last 10 years Corinthian Colleges has been rewarded for its poor performance with \$10 billion in Federal student aid. On an annual basis American taxpayers fund more than 80 percent of Corinthian Colleges' total revenue. This includes the salary of Corinthian's CEO, Jack Massimino, who received compensation of \$3.1 million in 2012, thanks to the taxpayers. This was seven times the average compensation for presidents of public universities, which is about \$440,000.

Corinthian also spent \$400 million on marketing and admissions in 2013, about \$3,700 for each newly admitted student. How could they afford it? Because the taxpayers are subsidizing this for-profit college. Corinthian's marketing strategy has come under scrutiny recently because it targets low-income people. Why? If you are a low-income new student at Corinthian you automatically qualify for a Pell grant and a college student loan. They can't wait for you to come through the door, sign the papers, and then watch what happens next. Most of these students falter, fail, drop out, or if they were, I guess, lucky—and I use that word advisedly—they end up with a worthless diploma. These students attracted by the prospect of a better life and the dream of a college education end up far worse off, deeply in debt with nothing to show for it.

Eric Parms, an Everest college grad, completed a 9-month heating, ventilation, and air conditioning repair program. What he ended up with at the end of it was a \$17,000 student loan for a 9-month program on HVAC and no job. After he graduated he had to beg the career counselors at Everest to set up some interviews. Frankly, Eric wasn't worth that much to them after he graduated. They wanted him to sign up for the loans. He did it and they lost interest in him.

Finally, he was set up by career services to work in a contract position laying electric wires. However, after less than 2 months on the job he was laid off and cut off from any career service counseling at Everest College, part of the Corinthian operation.

The school had effectively placed Eric in a short-term internship program, and once it was over, there was no incentive for that company to hire him when they could vacate a space for another graduate who would get a \$2,000 Corinthian subsidy, so their numbers would look better to the public and to the Federal Government. Then Everest could shuttle in another graduate for a part-time position leading nowhere.

Eric lost out on the deal with a \$17,000 student loan for a worthless education at Everest College, part of the Corinthian family of schools. To get a Georgia HVAC contractor license he needed to have significant work experience and references. No one would hire him with a degree from Everest. Everest College, part of Corinthian, gave him a worthless degree.

After reading the December article and stories like Eric's, I sent four letters. One letter was to the CEO of Corinthian, asking him to explain these practices and to outline steps the company is going to take to put an end to it. His response to me was not surprising but disappointing. Corinthian's CEO Jack Massimino, the multimillion dollar CEO defended the school's policies and practices. He did admit that at one time three Everest campuses provided incentives to employees.

This is a scandal that has to come to an end. I tell folks repeatedly, if you want to know about for-profit schools and universities in America, remember three numbers: 10 percent of high school grads end up in for-profit colleges; 20 percent of all the Federal aid to education goes to these colleges; 46 percent of all the student loan defaults come out of these colleges. These are worthless, by and large. There are some exemptions, but most of them are worthless, and we as taxpayers are being taken to the cleaners by this industry.

When we don't have enough money to do the important things in America such as medical research and assistance for education at good, worthwhile schools, we ought to say shame on ourselves for not taking a look at this for-profit college industry which is fleecing the American taxpayers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. First let me thank Senator DURBIN for his commitment on this issue. We know education is a great equalizer in America. We know there are major concerns on access to higher education because of costs, and that we have to do a better job to make college education affordable. We also have to have accountability in higher education, to make sure those institutions are providing quality products to their students and are doing it in a cost-effective way, particularly when taxpayers are providing a lot of the aid.

Mr. DURBIN. If I could ask the Senator from Maryland to yield for a moment.

Mr. CARDIN. I would be glad to.

Mr. DURBIN. I just had a meeting with people from the Pentagon and we talked about military education, members of the military who are seeking education while in the military through the GI bill and such. We talked about some of the worst examples of for-profit schools. The best example I could come up with of a worthy education through the military is the University of Maryland. They have been doing it for decades. I steer all my friends in the military and their families to the flagship university in the Senator's State of Maryland. Maryland does a good job.

Mr. CARDIN. I am glad I yielded to my colleague. We are very proud of the University of Maryland and the programs for the Department of Defense. We believe it is a cost-effective way and a quality education, exactly what the Senator from Illinois is talking about; and that is we have to get value for our dollars and we have to get accountability. I appreciate the Senator bringing that to our attention.

## FILING CLOTURE

Mr. GRASSLEY. Madam President, the majority leader, the Senator from Nevada, came to the floor last night to take exception to my criticisms of how the Senate operates these days.

I have criticized the actions of the current majority leadership, of which he is the head.

However, I would like to point out that I have tried to avoid singling him out personally because it is not my intention to engage in personal attacks or name calling.

Still, the fact that he takes my criticisms of the Senate's dysfunction so personally should tell us something.

Yesterday, I criticized the abuse of same-day cloture motions.

In response, Senator REID said, "He claims that I file too many cloture motions."

Well, it often is the majority leader who files the cloture motions, but sometimes it is other members of the majority leadership, and on rare occasions, other Senators.